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BEFORE THE ARIZONA CORPORATION COMMISSION

2008 MAR -4 A 10: 56

MIKE GLEASON
CHAIRMAN
JEFF HATCH-MILLER
COMMISSIONER
WILLIAM MUNDELL
COMMISSIONER
KRISTIN K. MAYES
COMMISSIONER
GARY PIERCE
COMMISSIONER

Arizona Corporation Commission
DOCKETED
MAR - 4 2008
DOCKETED BY

IN THE MATTER OF THE APPLICATION OF WICKENBURG RANCH WATER, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, FOR A RATE ADJUSTMENT

Docket No. W-03994A-07-0657

RESPONSE TO SECOND SET OF DATA REQUESTS

Wickenburg Ranch Water, LLC ("Company"), hereby responds to Arizona Corporation Commission Staff's Second Set of Data Requests as follows:

2.1 Please provide a pro forma rate base components (e.g. plant in service, accumulated depreciation, advances, deposits, contributions, accumulated amortization of contributions, etc.) for the first five years.

Answer. See Exhibit 1.

2.2 Please indicate whether the Company intends to issue any debt during the five years that the project is being sold out.

Answer. No, the Company does not intend to issue any debt during the five years that the project is being sold out.

2.3 The Company's response to GTM-1.3 is that the shortfall in water demand will be made up with effluent. Please provide more detail regarding the source of the effluent (e.g. purchase or treatment).

Answer. To be clear, there is no shortfall in water demand. The Arizona Department of Water Resources (ADWR) already issued an analysis of adequate water supply for the project. Turf and landscape water demands are to be met through effluent, not groundwater. For this reason, ADWR will not allow the developer to commit groundwater to meet the turf and landscape demands.

2.4 Please provide a detailed, itemized cost estimate for all major components of the proposed water facilities.

Answer. See Exhibit 2.

2.5 Company proposed total charges for service line and meter installation. Please propose a separate service line charges and meter charges for Staff to review.

Answer. See Exhibit 3.

2.6 Please provide a 5 year projection for estimated customer deposits and refunds.

Answer. See Exhibit 4.

2.7 Please provide a schedule showing a 5 year projection for developer advances and estimated repayments.

Answer. Essentially, the developer is building the infrastructure necessary to serve the development, and once the infrastructure is approved by the Arizona Department of Environmental Quality, the water company will receive and operate that infrastructure. The repayment schedule is driven by reimbursements derived from water customer sales; so the repayment estimates are largely dependant upon the developer's building schedule and lot sales. Accordingly, the projections are set forth in Exhibit 5.

2.8 Please provide a projected capital structure for the first five years showing all short and long term debt balances, equity balances, etc.

Answer. See Exhibit 6.

DATED this 3rd day of March , 2008.

MOYES STOREY, LTD.

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Delivered this 3rd day of February, 2008, to:

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EXHIBIT 1

Wickenburg Ranch Water Company, LLC
5-Year Pro Forma Rate Base Projections
Response to Staff Data Request GTM 2.1

	Year 1 Rate Base	Year 2 Rate Base	Year 3 Rate Base	Year 4 Rate Base	Year 5 Rate Base
Gross Utility Plant in Service	$ 2,516,443	$ 3,727,398	$ 5,128,268	$ 6,493,986	$ 6,763,086
Less: Accumulated Depreciation	122,687	296,101	528,308	822,710	1,153,270
Net Utility Plant in Service	$ 2,393,756	$ 3,431,298	$ 4,599,960	$ 5,671,276	$ 5,609,816
Subtract:					
Customer Deposits	$ 14,625	$ 29,475	$ 37,035	$ 47,895	$ 52,650
Customer Meter Advances	115,770	309,273	499,338	705,358	866,986
Developer Advances in Aid of Construction	2,390,343	3,358,388	4,475,650	5,486,961	5,390,398
Contributions in Aid of Construction (CIAC)	-	-	-	-	-
Amortization of CIAC	-	-	-	-	-
Add:					
Allowance for Working Capital	$ 31,208	$ 47,182	$ 88,655	$ 118,382	$ 135,862
Projected Total Rate Base	**$ (95,773)**	**$ (218,656)**	**$ (323,408)**	**$ (450,556)**	**$ (564,355)**

EXHIBIT 2

Wickenburg Ranch Water Company, LLC
Itemized Cost Estimate for Water Facilities
Response to Staff Data Request GTM 2.4

Item Description	Quantity	Unit	Unit Cost	Cost
6" Fire hydrant (complete)	21	EA	$ 2,500	$ 52,500
6" Fire hydrant (complete)	20	EA	2,500	50,000
6" Fire hydrant (complete) at each intersection	9	EA	2,500	22,500
6" Fire hydrant (complete) at each intersection	2	EA	2,500	5,000
Fire hydrant markers	9	EA	350	3,150
Fire hydrant markers	2	EA	350	700
Fire hydrant markers	21	EA	350	7,350
Fire hydrant markers	20	EA	350	7,000
Total Hydrants				**$ 148,200**
Booster Pump Stations	1	EA	$ 75,000	$ 75,000
Booster Pump Stations	1	EA	400,000	400,000
Total Electric Pumping Equipment				**$ 475,000**
Water Tank / Reservior (1 MGD @ $1.5/Gallon cost)	1	EA	$ 1,500,000	**$ 1,500,000**
12" VB&C	14	EA	$ 2,000	$ 28,000
12" VB&C	6	EA	2,000	12,000
12" VB&C	30	EA	2,000	60,000
12" VB&C	23	EA	2,000	46,000
12" Vertical re-alignment (assumed)	4	EA	4,000	16,000
12" Vertical re-alignment (assumed)	1	EA	4,000	4,000
12" Vertical re-alignment (assumed)	7	EA	4,000	28,000
12" Vertical re-alignment (assumed)	6	EA	4,000	24,000
12" Waterline	15,198	LF	32	486,336
12" Waterline	10,155	LF	32	324,960
12" Waterline (DIP)	11,386	LF	45	512,370
12" Waterline (DIP)	2,144	LF	45	96,480
8" VB&C	11	EA	1,000	11,000
8" VB&C	6	EA	1,000	6,000
8" VB&C	26	EA	1,000	26,000
8" VB&C	29	EA	1,000	29,000
8" Waterline	17,745	EA	23	408,135
8" Waterline	20,245	EA	23	465,635
8" Waterline (DIP) - 12 locations at 35' long	1,436	LF	30	43,080
8" Waterline (DIP) - 8 locations at 35' long	973	LF	30	29,190
Air Release valves (assumed)	1	EA	1,800	1,800
Air Release valves (assumed)	20	EA	1,250	25,000
Air Release valves (assumed)	21	EA	1,250	26,250
Corp Stop	9	EA	850	7,650
Corp Stop	5	EA	850	4,250
Pressure Reducing Device (assumed)	4	EA	35,000	140,000
Pressure Reducing Device (assumed)	1	EA	35,000	35,000
Pressure Reducing Device (assumed)	1	EA	35,000	35,000
Valve adjustment to grade	41	EA	250	10,250
Valve adjustment to grade	17	EA	250	4,250
Valve adjustment to grade	77	EA	250	19,250
Valve adjustment to grade	72	EA	250	18,000
Total Transmission and Distributions Mains				**$ 2,982,886**
Wells upgrade or new wells installation	1	LS	500,000	**$ 500,000**
TOTAL WATER FACILITIES COST				**$ 5,606,086**

EXHIBIT 3

Wickenburg Ranch Water Company, LLC
Proposed Service Line and Meter Installation Charges
Response to Staff Data Request GTM 2.5

Meter Size	Service Line Charge	Meter Charge	Total Charge
5/8 x 3/4 Inch	$ 365	$ 115	$ 480
3/4 Inch	375	185	560
1 Inch	425	225	650
1 - 1/2 Inch	460	435	895
2 Inch - Turbine	615	940	1,555
2 Inch - Compound	615	1,665	2,280
3 Inch - Turbine	790	1,445	2,235
3 Inch - Compound	830	2,240	3,070
4 Inch - Turbine	1,130	2,310	3,440
4 Inch - Compound	1,195	3,200	4,395
6 Inch - Turbine	1,695	4,500	6,195
6 Inch - Compound	1,740	6,230	7,970

EXHIBIT 4

Wickenburg Ranch Water Company, LLC
5-Year Projection of Estimated Customer Deposits and Refunds
Response to Staff Data Request GTM 2.6

	Year 1	Year 2	Year 3	Year 4	Year 5
New Customers Added per Year:					
Attached	48	131	158	155	168
Single Family	74	147	147	217	213
Custom	72	72	73	72	33
Commercial	1	4	6	8	11
Estimated Customer Deposits Received	$ 14,625	$ 26,550	$ 28,800	$ 33,900	$ 31,875
Estimated Customer Deposits Refunded	-	11,700	21,240	23,040	27,120
Cumulative Projected Customer Deposits	$ 14,625	$ 29,475	$ 37,035	$ 47,895	$ 52,650

EXHIBIT 5

Wickenburg Ranch Water Company, LLC
5-Year Projection of Estimated Developer Advances and Repayments
Response to Staff Data Request GTM 2.7

	Year 1	Year 2	Year 3	Year 4	Year 5
Estimated Developer Advances Received	$ 2,390,343	$ 983,455	$ 1,155,170	$ 1,077,118	$ -
Estimated Developer Advance Repayments	-	15,411	37,908	65,806	96,563
Cumulative Projected Developer Advances	$ 2,390,343	$ 3,358,388	$ 4,475,650	$ 5,486,961	$ 5,390,398

EXHIBIT 6

Wickenburg Ranch Water Company, LLC
5-Year Projected Capital Structure
Response to Staff Data Request GTM 2.8

	Year 1	Year 2	Year 3	Year 4	Year 5
Short Term Debt	$ -	$ -	$ -	$ -	$ -
Long Term Debt	-	-	-	-	-
Advances in Aid of Construction					
- Developer	2,390,343	3,358,388	4,475,650	5,486,961	5,390,398
- Meter Deposits	115,770	309,273	499,338	705,358	866,986
Equity	(113,170)	(234,842)	(359,363)	(493,143)	(600,178)
Total Capital	**$ 2,392,943**	**$ 3,432,819**	**$ 4,615,625**	**$ 5,699,176**	**$ 5,657,205**